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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 002583

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TAGS: ECON IZ MOPS PGOV
SUBJECT: BAGHDAD SECURITY PLAN EXECUTIVE STEERING
COMMITTEE, JULY 27

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

11. (C) Summary: In the absence of Prime Minister Nuri al-Maliki, Deputy Prime Minister Barhim Salih chaired the 27 July 2007 Baghdad Security Plan (Fardh al Qanoon - FAQ) Executive Steering Committee (I-ESC) of the Government of Iraq (GoI). The meeting featured a wide ranging discussion of security operations in Diyala and the corresponding need to increase service provisions in the province. Also notable, the meeting highlighted the Minister of Oil's reluctance to directly follow-through on PM Maliki's directive by immediately settling arrears impeding the Kuwait Fuel dispute. End Summary.

# Kuwait Fuel Payment Update

12. (C) The Minister of Electricity stated that the Minister of Oil, who was not present at this week's I-ESC, is holding up payment of its \$2.4 M portion of the payment until Kuwait releases the relevant fuel trucks to transport new product purchases - including diesel bound for electricity generators. Kuwait insists on receiving payment for past demurrage charges before releasing the trucks. DPM Salih expressed frustration at the Ministor of Oil's behavior, stating that he is effectively insubordinate to a directive from PM Maliki and that "our government will fall if everyone behaves as individuals." DPM Salih said that we would bring up this issue at the next Ministerial Council on National Security.

# Government Owned Buildings

13. (C) The representative from DPM Zoubai's Office (Note: Zoubai himself was in Jordan. End Note.) stated that an Executive Order placing the Office of DPM Zoubai in charge of monitoring ministerial progress on building refurbishment would be issued soon. (Comment. Our understanding is that Zoubai does not actually want this responsibility. End Comment).

Government Payments to Terrorism Victims and Returning IDPs

14. (C) In a discussion about a 26 July truck bomb in the Karadah neighborhood of Baghdad, the Chairman of the Baghdad Provincial Councils (CBPC) urged the I-ESC to establish a new body that can provide emergency services, victim payments and rubble removal in the aftermath of terrorist attacks. The Governor of Baghdad stated that the Ministry of Finance is taking too long to make such payments and is reducing relevant payments for victims under the age of 18 because the legal term for such payments is "compensation." He suggested that "compensation" be replaced with "grant" so that full payments would be made. DPM Salih stated that setting up a new body would take time, and the imperative issue was to

have the names of the victims so that PM Maliki could immediately issue payments. The CBPC said that he had the names and would provide them.

15. (C) The Governor of Baghdad highlighted that the number of payments to Internally Displaced Families (IDPs) returning to their homes has continued to increase, saying that the day before he had paid approximately 800 families and in the coming week he expected 1700 families returning to Haifa Street to receive payments. In response to comments that his office might be viewed as being sectarian by delaying payments to 300 families in Abu Gharib, the Governor stated that such accusations were groundless as he himself had delivered the payment application forms to the relevant local office. (Comment: Through the NSA I-ESC secretariat, we have kept a running tally of IDPs paid on each week's I-ESC Agenda so the Governor has his weekly performance viewed by all. End Comment.)

## Baghdad Security Cameras

16. (C) The Governor of Baghdad provided an update to the on-going installation of 200 security cameras that will allow PM Maliki to "have a control room where he can see all of Baghdad." The Governor clarified that the cameras will come under the jurisdiction of the Province of Baghdad and stated that they have began with decoy cameras and that so far only one has been destroyed. The Governor requested that the I-ESC ask the Minister of Communications to grant access to various towers that can serve as mounts for the cameras.

Security and Services in Diyala Province and North Baghdad

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- 17. (C) As part of a wide ranging discussion about several security operations in Diyala, the Minister of Defense noted that Diyala has not received food "rations" from the Public Distribution Service for 10 months and that a range of services must be improved in the province. In response to this, the Minister of Interior noted the recent recruitment of 7000 volunteers to help with essential services, and DPM Salih stated that the Ministry of Trade is ready to send new ration trucks on Monday but that they require security. He also noted that food warehouses in Diyala are full. The problem appears to be transporting rations to outlying villages. General Petraeus noted that PM Maliki had a productive trip to Diyala the day before, and that it is imperative that the Ministry of Trade quickly supply food and fuel to Ba'quba and the rest of Diyala.
- 18. (C) The Minister of Electricity discussed a currently non-operating factory that produces electrical transformers. He stated that the factory needs \$100 M in investment, but could run tomorrow at 25% efficiency, provided that he receives a government "green light" that the security situation is satisfactory. General Petraeus stated that it is problematic that the Ministry of Finance (MoF) is not adequately providing needed financing for such facilities. He noted that Deputy Undersecretary of Defense, Paul Brinkley's Task Force on Business Stabilization is working to help provide some initial financing for State Owned Enterprises and other industries. Dr. Chalabi and DPM Salih concurred in the assessment that MoF must become more active in providing working capital financing. DPM Salih also suggested that the I-ESC should invite Brinkley to present an update on his program.
- 19. (C) The Governor of Baghdad noted that there was an increase in Al Qaeda activity in Tarmiya and urged the MoD, MoI, and MNF-I to take action to secure the area. (Comment. The Governor does not typically attend the Ministerial Council on National Security or the Crisis Cell so he occasionally uses the I-ESC to raise security-related topics.

End Comment.) General Petraeus applauded the Governor's raising awareness on this issue and noted that wherever Sunnis and Shia's are rejecting extremists in their midst, the GoI should support them. DPM Salih invited the Governor to come to the next Crisis Cell to discuss the security issue further.

## Baghdad Water Situation

- 110. (C) General Petraeus noted that the water situation in Baghdad had improved and stated that it is good that the I-ESC had discussed the issue 3 weeks ago when the Karkh water treatment plant, which produces 40% of the city's drinking water, was running out of chlorine. He said that the discussion had helped lead to the plant now having a 2 month supply of chlorine, but that it is important to continue to work to ensure that Baghdad's water system has sufficient supplies of electricity and chlorine and that the infrastructure is repaired as required. To assist this, General Petraeus circulated a water plant status tracking slide recently created by the MNF-I. (Comment. Ideally such a tracking mechanism will eventually be handed over to, and kept up to date by, the GoI. End Comment.)
- 111. (C) A heated exchange took place between the Mayor of Baghdad and the Minister of Defense regarding the alleged two-day shutdown of the Karkh water plant resulting from an ISF security operation. The Mayor stated that in response to an attack by extremists, Iraqi Security Forces had responded in such a way that no access was permitted to the facility for 48 hours, putting the plant's production at risk. The Minister of Defense responded that should the Mayor want different security practices, he should pay for Facility Protection Services himself and pay to train his "300 FPS who are doing nothing." Baghdad Operations Commander General Aboud stated that he would be visiting the facility on the 29th to sort out what had happened and ensure that the facility operates at full capacity. Later on, the Mayor apologized for the tone of his comments.

## Security Checkpoints

112. (C) To the consternation of General Aboud, the issue of updating the status of on-going improvements in security check points was on the I-ESC Agenda. (Comment: Aboud is correct that the MCNS or Crisis Cell are more appropriate venues. End Comment.) However, General Aboud did brief that a Joint Battalion is assigned to inspect check points regularly and provide needed equipment. The Minister of Interior also noted that the Check Point Training Officers under his command must continue to teach proper check point

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security procedures. National Security Advisor Dr. Mowafaq Rubaie moved that the issue should be further discussed in the Crisis Cell.

# Asian Cup Championship

113. (C) DPM Salih noted that July 29 would be an important day for Iraq and that, God willing, the Iraqi soccer team would achieve victory in the finals of the Asia Cup against Saudi Arabia. He stated that Iraqi Security Forces must be ready to deal with celebratory violence in such an event. CROCKER